

**Stricken language would be deleted from and underlined language would be added to the Arkansas  
Constitution.**

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005  
4  
5 By: Senator Broadway  
6 By: Representative Fite  
7  
8

SJR 5

**SENATE JOINT RESOLUTION**

10 PROPOSING TO AMEND AMENDMENT 79 OF THE ARKANSAS  
11 CONSTITUTION TO EQUALIZE REAL PROPERTY VALUES TO  
12 2007 ASSESSED VALUES AND TO PROVIDE FOR FULL  
13 ASSESSMENT OF PROPERTY THAT IS SOLD OR FOR WHICH  
14 THE USE CHANGES.

**Subtitle**

16  
17 PROPOSING TO AMEND AMENDMENT 79 OF THE  
18 ARKANSAS CONSTITUTION TO EQUALIZE REAL  
19 PROPERTY VALUES TO 2007 ASSESSED VALUES  
20 AND TO PROVIDE FOR FULL ASSESSMENT OF  
21 PROPERTY THAT IS SOLD OR FOR WHICH THE  
22 USE CHANGES.  
23  
24

25 BE IT RESOLVED BY THE SENATE OF THE EIGHTY-FIFTH GENERAL ASSEMBLY OF THE  
26 STATE OF ARKANSAS AND BY THE HOUSE OF REPRESENTATIVES, A MAJORITY OF ALL  
27 MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:  
28

29 That the following is proposed as an amendment to the Constitution of  
30 the State of Arkansas, and upon being submitted to the electors of the state  
31 for approval or rejection at the next general election for Senators and  
32 Representatives, if a majority of the electors voting thereon at the  
33 election, adopt the amendment, the amendment shall become a part of the  
34 Constitution of the State of Arkansas, to wit:  
35

36 SECTION 1. Amendment 79 of the Arkansas Constitution is amended to



1 read as follows:

2 § 1. [Assessing value of real property].

3 (a) After each county-wide reappraisal, as defined by law, and the  
4 resulting assessed value of property for ad ~~valorum~~ valorem tax purposes and  
5 after each Tax Division appraisal and the resulting assessed value of utility  
6 and carrier real property for ad valorem tax purposes, the county assessor,  
7 or other official or officials designated by law, shall compare the assessed  
8 value of each parcel of real property reappraised or reassessed to the prior  
9 year's assessed value. If the assessed value of the parcel increased, then  
10 the assessed value of the parcel shall be adjusted pursuant to this section.

11 (b)(1) If the parcel is not a taxpayer's homestead used as the  
12 taxpayer's principal place of residence, then for the first assessment  
13 following reappraisal, any increase in the assessed value of the parcel shall  
14 be limited to not more than ten percent (10%) of the assessed value of the  
15 parcel for the previous year. In each year thereafter the assessed value  
16 shall increase by an additional ten percent (10%) of the assessed value of  
17 the parcel for the year prior to the first assessment that resulted from  
18 reappraisal but shall not exceed the assessed value determined by the  
19 reappraisal prior to adjustment under this subsection. For utility and  
20 carrier real property, any annual increase in the assessed value of the  
21 parcel shall be limited to not more than ten percent (10%) of the assessed  
22 value for the previous year.

23 (2) This subsection (b) does not apply to newly discovered real  
24 property, new construction, or to substantial improvements to real property.

25 (c)(1) Except as provided in subsection (d), if the parcel is a  
26 taxpayer's homestead used as the taxpayer's principal place of residence then  
27 for the first assessment following reappraisal, any increase in the assessed  
28 value of the parcel shall be limited to not more than five percent (5%) of  
29 the assessed value of the parcel for the previous year. In each year  
30 thereafter the assessed value shall increase by an additional five percent  
31 (5%) of the assessed value of the parcel for the year prior to the first  
32 assessment that resulted from reappraisal but shall not exceed the assessed  
33 value determined by the reappraisal prior to adjustment under this  
34 subsection.

35 (2) This subsection (c) does not apply to newly discovered real  
36 property, new construction, or to substantial improvements to real property.

1 (d)(1)(A) A homestead used as the taxpayer's principal place of  
 2 residence purchased or constructed on or after January 1, 2001 by a disabled  
 3 person or by a person sixty-five (65) years of age or older shall be assessed  
 4 thereafter based on the lower of the assessed value as of the date of  
 5 purchase or construction or a later assessed value.

6 (B) When a person becomes disabled or reaches sixty-five  
 7 (65) years of age on or after January 1, 2001, that person's homestead used  
 8 as the taxpayer's principal place of residence shall thereafter be assessed  
 9 based on the lower of the assessed value on the person's sixty-fifth  
 10 birthday, on the date the person becomes disabled or a later assessed value.

11 (C) If a person is disabled or is at least sixty-five (65)  
 12 years of age and owns a homestead used as the taxpayer's principal place of  
 13 residence on January 1, 2001, the homestead shall be assessed based on the  
 14 lower of the assessed value on January 1, 2001 or a later assessed value.

15 (2) Residing in a nursing home shall not disqualify a person  
 16 from the benefits of this subsection (d).

17 (3) In instances of joint ownership, if one of the owners  
 18 qualifies under this subsection (d), all owners shall receive the benefits of  
 19 this amendment.

20 (4) This subsection (d) does not apply to substantial  
 21 improvements to real property.

22 ~~(5) For real property that is subject to Section 2 of this~~  
 23 ~~Amendment in lieu of January 1, 2001, the applicable date for this~~  
 24 ~~subsection (d) shall be January 1 of the year following the completion of the~~  
 25 ~~adjustments to assessed value required by Section 2.~~

26  
 27 ~~§ 2. [Effect of county wide reappraisal — Public utility and carrier~~  
 28 ~~exception].~~

29 ~~(a)(1) Section 1 of this Amendment shall not be applicable to a county~~  
 30 ~~in which there has been no county wide reappraisal, as defined by law, and~~  
 31 ~~resulting assessed value of property between January 1, 1986 and December 31,~~  
 32 ~~2000. Real property in such a county shall be adjusted according to the~~  
 33 ~~provisions of this section.~~

34 ~~(2) Upon the completion of the adjustments to assessed value~~  
 35 ~~required by this section each taxpayer of that county shall be entitled to~~  
 36 ~~apply the provision of Section 1 of this Amendment to the real property~~

1 ~~owned by them.~~

2 ~~(b) The county assessor, or other official or officials designated by~~  
 3 ~~law, shall compare the assessed value of each parcel of real property to the~~  
 4 ~~prior year's assessed value. If assessed value of the parcel increased, then~~  
 5 ~~the assessed value of the parcel for the first assessment resulting from~~  
 6 ~~reappraisal shall be adjusted by adding one third (1/3) of the increase to~~  
 7 ~~the assessed value of the parcel for the previous year. An additional one-~~  
 8 ~~third (1/3) of the increase shall be added in each of the next two (2) years.~~  
 9 ~~This adjustment procedure shall not apply to public utility and carrier~~  
 10 ~~property. Public utility and carrier property shall be adjusted pursuant to~~  
 11 ~~Section 1.~~

12 ~~(c) No adjustment shall be made for newly discovered real property,~~  
 13 ~~new construction, or to substantial improvements to real property.~~

14  
 15 § 3. [Annual state credit].

16 The General Assembly shall provide by law for an annual state credit  
 17 against ad valorem property tax on a homestead in an amount of not less than  
 18 three hundred dollars (\$300). The credit shall not exceed the amount of ad  
 19 valorem property taxes owed. The credit shall apply beginning for taxes due  
 20 in calendar year 2001. This section shall be applied in a manner that would  
 21 not impair a bond holder's interest in ad valorem debt service revenues.

22  
 23 § 4. [Income adjustments - Personal property millage rate - Uniform  
 24 property tax rate requirement - Reassessment - Rollback adjustments].

25 (a) The General Assembly shall, by law, provide for procedures to be  
 26 followed with respect to adjusting ad valorem taxes or millage pledged for  
 27 bonded indebtedness purposes, to assure that the tax or millage levied for  
 28 bonded indebtedness purposes will, at all times, provide a level of income  
 29 sufficient to meet the current requirements of all principal, interest,  
 30 paying agent fees, reserves, and other requirements of the bond indenture.

31 (b) The millage rate levied against taxable personal property and  
 32 utility and regulated carrier property in each taxing unit in the state shall  
 33 be equal to the millage rate levied against real property in each taxing unit  
 34 in the state. Personal property millage rates currently not equal to real  
 35 estate millage rates shall be reduced to the level of the real estate millage  
 36 rate; except to the extent necessary to provide a level of income sufficient

1 to meet the current requirements of all principal, interest, paying agent  
 2 fees, reserves, and other requirements of the bond indenture.

3 (c) The provisions of this section shall not affect or repeal the  
 4 required uniform rate of ad valorem property tax set forth in Amendment 74.

5 (d) The General Assembly may, by law, prescribe the method and means  
 6 for reassessing real property and establish the frequency of reassessment.  
 7 However, reassessment shall occur at least once every five (5) years.

8 (e) Rollback adjustments under Article 16, Section 14 shall be  
 9 determined after the adjustments are made to assessed value under this  
 10 Amendment.

11  
 12 § 5. Sale or change in use of real property.

13 (a) When a parcel is sold and the assessed value of the parcel prior  
 14 to the sale has been adjusted under Section 1 of this Amendment, the assessed  
 15 value of the property immediately after the sale shall be equal to the full  
 16 assessed value. The assessed value of the property thereafter shall be  
 17 computed to include the assessed value limitations of Section 1 of this  
 18 Amendment unless the property is subsequently sold or a change in use occurs.

19 (b) When the use of a parcel changes and the assessed value of the  
 20 parcel prior to the change in use has been adjusted under Section 1 of this  
 21 Amendment, the assessed value of the property immediately after the change in  
 22 use shall be equal to the full assessed value. The assessed value of the  
 23 property thereafter shall be computed to include the assessed value  
 24 limitations of Section 1 unless the property is subsequently sold or another  
 25 change in use occurs.

26  
 27 § 6.(a) The assessed value of property for ad valorem tax purposes for  
 28 assessment year 2007 shall be:

29 (1) Computed without regard to the limitations under Section 1;  
 30 and

31 (2) Equal to the full assessed value of the property as if the  
 32 limitations under Section 1 had never applied after the last reappraisal  
 33 prior to January 1, 2007.

34 (b) The assessed value of property for ad valorem tax purposes for  
 35 assessment years after 2007 shall be adjusted as provided in Section 1.

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